SO ORDERED.

SIGNED this 01 day of July, 2009.

_____
J. Rich Leonard
United States Bankruptcy Judge
_____

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:

GROUNDSCAPES OF NC, INC.,   CASE NO. 09-3119-8-JRL
                                                              Chapter 11

      DEBTOR.

_____

ORDER

This matter came before the court on the debtor's motion for contempt for violation of

the automatic stay. A hearing on this matter was held on June 23, 2009 in Raleigh, North

Carolina.

Groundscapes of NC, Inc. ("debtor") filed its petition for relief under Chapter 11 of the

Bankruptcy Code on April 17, 2009. The debtor operates a residential landscaping business. As

part of its business, the debtor entered into a contractual agreement with the respondent,

UniFirst, a company that supplies work uniforms. UniFirst was listed and scheduled as an

unsecured creditor in the debtor's case.

Court records show that notice was mailed to UniFirst on April 22, 2009. On that same

day, a letter was mailed from UniFirst to the debtor alleging breach of contract and demanding

monetary damages. This alone is not a wilful violation of the stay because the two documents

passed each other in the mail. However, two days later, on Friday, April 24, 2009, Travis Cook

("Cook"), District Service Manager of UniFirst, contacted the debtor by telephone. At hearing,

the president of the debtor asserted that during the phone conversation, he informed Cook of the

bankruptcy. He further asserted that he provided Cook with the name and phone number of

debtor's counsel and directed Cook to make any further inquires through the attorney. In spite of

this information, Cook called the debtor again on Monday, April 27, 2009, to tell the debtor that

UniFirst would be picking up the uniforms the following day. After ending this second phone

conversation, the debtor relayed the information to its attorney. At such time, counsel for the

debtor contacted Cook by e-mail. The e-mail contained an attached letter which again notified

UniFirst of the automatic stay and provided an explanation as to the effect of the stay. Cook,

responded to debtor's counsel by a return e-mail which read, "We will pick up OUR property on

Tuesday, April 28, 2009 as planned." Debtor's counsel, having subsequently learned of

UniFirst's counsel, forwarded all communications onward in an attempt to avoid further

violations of the automatic stay. Such attempts, however, were futile.

In complete disregard of the notice, Cook and another representative from UniFirst

appeared at the debtor's location on April 28, 2009. Again a demand was made for the uniforms.

The debtor stated that the representatives of UniFirst stayed at the location for approximately 45

minutes, leaving only after the debtor threatened to call the police. UniFirst alleges that it never

received the notice of April 22, 2009. While UniFirst acknowledged that Cook did receive the

letter and e-mail from debtor's counsel on April 27th, it explained that Cook was unable to reach

UniFirst's counsel for further guidance.

The court finds that UniFirst's actions were a clear and wilful violation of the automatic

stay. It is axiomatic that when notice is sent it is also received. This presumption is not overcome without evidence that notice was sent to a wrong address. However, even if notice was not received via the official court notification, ample communications were made by the debtor and debtor's counsel to alert and inform UniFirst of the filed petition. Nonetheless, in wilful violation of the automatic stay, two officers of the respondent showed up at the debtor's place of business, interfered with its operation, and refused to leave until threatened with police involvement.

Based on the foregoing, the motion for contempt for violation of the automatic stay is GRANTED. UniFirst shall be sanctioned in the total amount of $4,000.00, which includes compensatory damages of $1,000.00; attorneys fees of $1,000.00; and punitive damages in the amount of $2,000.00.

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